REMARKS / ARGUMENTS

In response to the Office Action mailed January 16, 2008, the Examiner's claim rejections have been considered. Claims 3, 13, 18, 45, and 47 have been canceled without prejudice. Claims 1, 10-11, 15-17, 20, 23-24, 29, 33, 36, 41 and 48 have been amended. New, claims 49-56 have been added. Support for the new claims and claim amendments are found, at a minimum, at page 8, lines 19-21; page 9, lines 6-15; page 10, lines 5-7; page 11, lines 7-8; page 15, lines 8-17; and page 15, line 23-page 16, line 2. No new matter has been added. Applicants respectfully traverse all rejections regarding all pending claims and earnestly solicit allowance of these claims.

1. Claim Rejections – 35 U.S.C. § 101

The Examiner has rejected claims 1, 3, 13, 15-18, 20, 23-24, 29, 33, 36,39, 41, 43, and 45-48 under 35 U.S.C. §101, because the claimed invention is directed to non-statutory subject matter. Claims 3, 13, 18, 45, and 47 have been canceled thereby rendering the rejection moot. With respect to the remaining claims, Applicants respectfully traverse the rejection. For the sake of brevity, the rejections of the independent claims 1, 20, 33, and 41 are discussed in detail on the understanding that the dependent claims are also patentably distinct over the prior art, as they depend directly from their respective independent claims. Nevertheless, the dependent claims include additional features that, in combination with those of the independent claims, provide further, separate and independent bases for patentability.

In response, independent claims 1, 20, 33, and 41 have been amended to meet the basic statutory rules of producing a useful, concrete and tangible result. Applicants respectfully submit that the claims have been amended to recite steps or structure that interact with the user in a tangible fashion so that the user realizes the results of the claimed methodology. Accordingly, Applicants submit that the claims as presented in the amendment conform to the requirements under 35 U.S.C. §101 and respectfully request that the rejections be withdrawn.

2. Claim Rejections – 35 U.S.C. § 103(a)

The Examiner has rejected claims 1, 3, 9-11, 13, 17-18, 20, 29-30, 33, 39-41 and 45-48 under 35 U.S.C. § 103(a) as being unpatentable over Wilms (U.S. Patent No. 5,277,424) and Walker et al. (U.S. Patent No. 6,068,552) and Congello, Jr. (U.S. Patent No. 6,296,569 B1) and Rowe et al. (U.S. Patent No. 6,682,421 B1) and in further view of Walker et al. (U.S. Patent No. 6,012,983). Claims 3, 13, 18, 45, and 47 have been canceled thereby rendering the rejection moot. With respect to the remaining claims, Applicants respectfully traverse the rejection. For the sake of brevity, the rejections of the independent claims 1, 20, 33, and 41 are discussed in detail on the understanding that the dependent claims are also patentably distinct over the prior art, as they depend directly from their respective independent claims. Nevertheless, the dependent claims include additional features that, in combination with those of the independent claims, provide further, separate and independent bases for patentability.

Applicants respectfully submit that Wilms, Walker '552, Congello, Jr., Rowe, and Walker '983, either alone or in combination, fail to disclose "converting the funds received from the player into credits, wherein each credit has a value less than a smallest denomination for standard currency." The claimed invention allows a player to convert the player's funds into credits that have a value less than a penny. (See, e.g., page 10, lines 5-7 which disclose one example where the credit value is $0.0007). As a result, by way of example, and by way of limitation, the player is able to place bets for ½, 1/3, ¼, or 1/10th of a penny. A player can increase the odds of winning (by betting more lines) while minimizing the player's risk since the player does not have to place too much money at stake (e.g., a penny or fractions of a penny). For example, with a credit value set at 1/10th of a penny, the player can bet 10 lines using a single penny. In prior art devices, the player would be required to wager 10 cents (i.e., one penny per line) in order to wager the same 10 lines. According to the claimed invention, the player increases the odds of winning since the player is playing all 10 lines, but the player has not increased his risk since he is only placing a wager having a total value of a penny rather than 10 cents.

In contrast, Applicants respectfully submit that the cited references are directed to games that only allow wagering based upon standard currency denominations or multiples thereof. For

instance, Wilms discloses "when the number of credits available to the player...drops below a single unit value of denomination being played, the player must terminate the game and cash out or select a lowering wagering denomination." See Col. 7, lines 59-64. Applicants respectfully submit that the player is only able to select from standard denominations (e.g., $0.05, $0.10, $0.25, $0.50, or $1.00). Applicants respectfully submit that Wilms does not disclose, teach or suggest that the player can select a fraction of the lowest standard denomination (e.g, a fraction of a penny) as a wager. Furthermore, the Walker references, Congello, and Rowe fail to make up for the deficiencies of the Wilms reference. Like Wilms, these references only disclose that a wager is made using standard currency denominations or multiples thereof. For example, Congello teaches that a player may use any leftover change and purchase a fractional denomination lottery ticket as shown in FIG. 1. As shown in FIG. 1 of Congello, the ticket is for $0.80, which is a still multiple of the lowest standard denomination (i.e., a penny).

In conclusion, Applicants respectfully submit that the 35 U.S.C. §103(a) rejection of claims 1, 15-17, 20, 23, 24, 29, 33, 36, 39, 41, 43 and 46-48 have been overcome.

3. Claim Rejections – 35 U.S.C. § 103(a)

The Examiner has rejected claims 15-16, 23-24, 36 and 43 under 35 U.S.C. § 103(a) as being unpatentable over Wilms (U.S. Patent No. 5,277,424) and Walker et al. (U.S. Patent No. 6,068,552) and Congello, Jr. (U.S. Patent No. 6,296,569 B1) and Rowe et al. (U.S. Patent No. 6,682,421 B1) and Walker et al. (U.S. Patent No. 6,012,983) and in further view of Skratulia (U.S. Patent No. 5,690,335). Applicants respectfully traverse the rejection.

Applicants note that claims 15-16, 23-24, 36 and 43 are dependent claims that depend from independent claims 1, 20, 33, and 41, respectively. In light of the arguments submitted in Section 2 of this response, Applicants respectfully submit that dependent claims 15-16, 23-24, 36 and 43 are not obvious in view of the combination of Wilms, Walker '552, Congello, Jr., Rowe, Walker '983, and Skratulia because these references, alone or in combination, fail to teach or suggest all the claimed limitations. Moreover, these dependent claims further recite and define the claimed invention, and thus, are independently patentable. In conclusion, Applicants

respectfully submit that the 35 U.S.C. §103(a) rejection of claims 15-16, 23-24, 36 and 43 have been overcome.

CONCLUSION

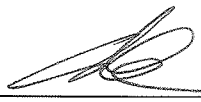
Applicants have made an earnest and *bona fide* effort to clarify the issues before the Examiner and to place this case in condition for allowance. Reconsideration and allowance of all of claims 1, 15-17, 20, 23, 24, 29, 33, 36, 39, 41, 43 and 46-56 is believed to be in order, and a timely Notice of Allowance to this effect is respectfully requested.

The Commissioner is hereby authorized to charge the fees indicated in the Fee Transmittal, any additional fee(s) or underpayment of fee(s) under 37 CFR 1.16 and 1.17, or to credit any overpayments, to Deposit Account No. 194293, Deposit Account Name STEPTOE & JOHNSON LLP.

Should the Examiner have any questions concerning the foregoing, the Examiner is invited to telephone the undersigned attorney at (310) 734-3200. The undersigned attorney can normally be reached Monday through Friday from about 9:00 AM to 6:00 PM Pacific Time.

Respectfully submitted,

Date: April 16, 2008



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